



J. Marvin Quin
Senior Vice President and
Chief Financial Officer

Ashland Inc.
50 E. RiverCenter Blvd., P. O. Box 391
Covington, KY 41012-0391
Tel: 859 815-5636, Fax: 859 815-5056

December 15, 2006

Utah Department of Environmental Quality
Division of Solid and Hazardous Waste
288 North 1460 West
P.O. Box 144880
Salt Lake City, Utah 84114

Dear Sir/Madam:

I am the chief financial officer of Ashland Inc., 50 E. RiverCenter Boulevard; P.O. Box 391; Covington, Kentucky 41012-0391. This letter is in support of the use of the financial test to demonstrate financial responsibility for liability coverage and closure and/or post closure care as specified in Utah Administrative Code R 315-8-8.

The firm identified above is the owner or operator of the following facilities for which liability coverage for both sudden and nonsudden accidental occurrences is being demonstrated through the financial test specified in R 315-8-8:

EPA Region	Plant Name & Address	EPA ID Number
VIII	Ashland Distribution Freeport Center Building 12 Clearfield, Utah 84016	UTD048406144

The firm identified above guarantees, through the guarantee specified in R 315-8-8 liability coverage for both sudden and nonsudden accidental occurrences at the following facilities owned or operated by the following: None

The firm identified above is (1) the direct or higher tier parent corporation of the owner or operator.

1. The firm identified above owns or operates the following facilities for which financial assurance for closure or post-closure care or liability coverage is demonstrated through the financial test specified in R 315-8-8. The current closure and/or post-closure cost estimates covered by the test are shown for each facility:

EPA Region	Plant Name & Address	EPA ID Number	Closure Cost Est.
VIII	Ashland Distribution Freeport Center Building 12 Clearfield, Utah 84016	UTD048406144	\$343,342

2. The firm identified above guarantees, through the guarantee specified in R 315-8-8, the closure and post-closure care or liability coverage of the following facility owned or operated by the guaranteed

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party. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility: None

3. In States where EPA is not administering the financial requirements of Subpart H of 40 CFR Parts 264 and 265, this firm is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in Subpart H of 40 CFR Parts 264 and 265 . The current closure or post-closure cost estimates covered by such a test are shown for each facility: See Appendix A
4. The firm identified above owns or operates the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanisms specified in Subpart H of 40 CFR Parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility: None.
5. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under part 144 and is assured through a financial test. The current closure cost estimates as required by 40 CFR 144.62 are shown for each facility: None

This firm is required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on September 30. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended September 30, 2006.

December 15, 2006

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Part B Closure or Post Closure Care and Liability Coverage

ALTERNATIVE I

1. Sum of current closure and post-closure cost estimates. (Total of all cost estimates listed above)	\$61,045,325
2. Amount of annual aggregate liability coverage to be demonstrated	\$8,000,000
3. Sum of lines 1 and 2	\$69,045,325
*4. Total liabilities (if any portion of your closure or post-closure cost estimates is included in your total liabilities, you may deduct that portion from this line and add that amount to lines 5 and 6)	\$3,494,000,000
*5. Tangible Net Worth	\$2,786,000,000
*6. Net Worth	\$3,096,000,000
*7. Current assets	\$4,250,000,000
*8. Current liabilities	\$2,041,000,000
9. Net working capital (line 7 minus 8)	\$2,209,000,000
10. The sum of net income plus depreciation, depletion, and amortization	\$518,000,000
*11. Total assets in U.S. (required only if less than 90% of assets are located in the U.S.)	\$5,437,000,000

	YES	NO
12. Is line 5 at least \$10 million?	X	
13. Is line 5 at least 6 times line 3?	X	
14. Is line 9 at least 6 times line 3?	X	
*15. Are at least 90% of assets located in the U.S.? If not, complete line 16.		X
16. Is line 11 at least 6 times line 3?	X	
17. Is line 4 divided by line 6 less than 2.0?	X	
18. Is line 10 divided by line 4 greater than 0.1?	X	
19. Is line 7 divided by line 8 greater than 1.5?	X	

I hereby certify that the wording of this letter is identical to the wording specified in R 315-8-8 as such regulations were constituted on the date shown immediately below.


 J. Marvin Quin
 Chief Financial Officer
 December 15, 2006
 JMQ:ecg

ECG



TrackingUpdates@fedex.com

To Benjamin Cirker/EHS/CORP/Ashland@Ashland

cc

12/26/2006 11:51 AM

bcc

Please respond to
<trackingmail@fedex.com>

Subject FedEx Shipment 791197001657 Delivered

This tracking update has been requested by:

Company Name: Ashland Inc.

Name: Benjamin Cirker

E-mail: BCirker@ashland.com

Our records indicate that the following shipment has been delivered:

Tracking number:	791197001657
Reference:	Annual Update
Ship (P/U) date:	Dec 22, 2006
Delivery date:	Dec 26, 2006 08:42 AM
Sign for by:	K.WICKSTRNM
Delivered to:	Shipping/Receiving
Service type:	FedEx 2Day
Packaging type:	FedEx Envelope
Number of pieces:	1
Weight:	0.5 LB

Shipper Information

Benjamin Cirker
Ashland Inc.
5200 Blazer Pkwy
Dublin
OH
US
43017

Recipient Information

Division of Solid and Hazardous Was
Utah Department of Environmental Qu
288 North 1460 West
Salt Lake City
UT
US
84414

Special handling/Services:
Deliver Weekday

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Thank you for your business.

**2006 COST ESTIMATES FOR FACILITIES UTILIZING FINANCIAL TEST BY EPA REGION
ASHLAND INC. FACILITIES**

EPA Region	Plant Name & Address	EPA ID Number	Closure Cost Estimate	Post-Closure Cost Estimate	Corrective Action Estimate
II	Ashland Distribution 3 Broad Street Binghamton, NY 13902	NYD049253719	\$434,044		
II	Ashland Distribution 350 Roosevelt Avenue Carteret, NJ 07008	NJD063173280			\$1,500,000
II	PVO International Inc. 416 Division Street Boonton, NJ 07005	NJD053506085			\$1,038,000
II	Ashland Inc. 49 Walnut Street Norwood, NJ 07648	N/A			\$100,000
II	Ashland Inc. 221 Foundry Street Newark, NJ 07105	NJD060803905			\$1,459,000
III	Ashland Distribution 150 West Fourth Avenue Freedom, PA 15042	PAD000797548	\$123,866		
IV	Ashland Distribution 200 NE 181st Street Miami, FL 32205	FLD059861344		\$585,377	\$1,271,623
IV	Ashland Inc. 1645 McDuff Avenue Jacksonville, FL 32205	FLD079859492			\$3,906,000
IV	Ashland Distribution 4550 Northeast Expressway Doraville, GA 30340	GAD066465824			\$10,137,000
IV	Ashland Inc., Route 3 P.O. Box 391 Ashland, KY 41114	KYD0000615898		\$4,860,000	
IV	Ashland Inc., Viney Branch P.O. Box 391 Ashland, KY 41114	KYD0000615906	\$5,705,011	\$7,705,619	
IV	Ashland Distribution 455 Industrial Drive Jackson, MS 39209	MSD000829150	\$116,641		

2006 COST ESTIMATES FOR FACILITIES UTILIZING FINANCIAL TEST BY EPA REGION
ASHLAND INC. FACILITIES

EPA Region	Plant Name & Address	EPA ID Number	Closure Cost Estimate	Post-Closure Cost Estimate	Corrective Action Estimate
IV	Ashland Distribution 3930 Glenwood Drive Charlotte, NC 28208	NCD061263315	\$398,153	\$1,190,000	
IV	Ashland Distribution 2802 Patterson Street Greensboro, NC 27407	NCD024599011		\$1,176,000	
IV	Ashland Distribution 1415 South Bloodworth Street Raleigh, NC 27601	NCD088560032		\$825,000	
IV	Ashland Distribution 100 Industrial Blvd. Greenville, SC 29607	SCD062697735			\$1,323,000
IV	Ashland Distribution 3300 Ball Street Birmingham, AL 35234	ALD061149712	\$513,000		
V	Ashland Distribution 8500 S. Willow Springs Road Willow Springs, IL 60480	ILD980700538		\$2,240,000	
V	American Chemical Service Site 420 South Colfax Avenue Griffith, IN 46319	IND16360265			\$567,084
V	Ashland Distribution 1817 West Indiana Avenue South Bend, IN 46613	IND016621476	\$312,123		
V	Ashland Distribution 4401 Valley Industrial Road Shakopee, MN 55379	MND000686709	\$200,756		
V	Ashland Distribution div. Ashland Inc. 1953 Losantiville Road Cincinnati, OH 45237	OHD000816728	\$7,224	\$4,550,000	
V	Ashland Distribution div. Ashland Inc. 3849 Fisher Road Columbus, OH 43228	OHD000816736		\$825,000	

**2006 COST ESTIMATES FOR FACILITIES UTILIZING FINANCIAL TEST BY EPA REGION
ASHLAND INC. FACILITIES**

EPA Region	Plant Name & Address	EPA ID Number	Closure Cost Estimate	Post-Closure Cost Estimate	Corrective Action Estimate
V	Ashland Inc. 840 Heath Road Heath, OH 43056				\$4,590,000
V	Ashland Distribution div. Ashland Inc. 2854 Springboro Pike Moraine, OH 45439	OHD074700311	\$172,824		
V	Ashland Specialty Chemical div. Ashland Inc. 1745 Cottage Street Ashland, OH 44805	OHD071114375			\$20,820
VI	Ashland Distribution 3101 Wood Drive Garland, TX 75041	TXD980745095	\$208,572		
VI	Ashland Distribution 3101 Wood Drive Garland, TX 75041	Used Oil Handler	\$509		
VII	Ashland Distribution 5420 Speaker Road Kansas City, KS 66106	KSD057889313	\$112,737		
VIII	Ashland Distribution Freeport Center - Bldg. 12 Clearfield, UT 84016	UTD048406144	\$343,342		
IX	Ashland Specialty Chemical 8600 Enterprise Drive Newark, CA 94560	CAD066562521			\$2,527,000
		TOTALS	\$8,648,802	\$23,956,996	\$28,439,527
		GRAND TOTAL			\$61,045,325

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Ashland Inc. and consolidated subsidiaries

We have audited the accompanying consolidated balance sheets of Ashland Inc. and consolidated subsidiaries as of September 30, 2006 and 2005, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended September 30, 2006. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of Ashland Inc. and consolidated subsidiaries' management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above (appearing on pages F-5 to F-32 of this annual report on Form 10-K) present fairly, in all material respects, the consolidated financial position of Ashland Inc. and consolidated subsidiaries at September 30, 2006 and 2005, and the consolidated results of their operations and their cash flows for each of the three years in the period ended September 30, 2006, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Ashland Inc. and consolidated subsidiaries' internal control over financial reporting as of September 30, 2006, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated November 20, 2006 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Cincinnati, Ohio
November 20, 2006

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Ashland Inc. and consolidated subsidiaries

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting, that Ashland Inc. and consolidated subsidiaries maintained effective internal control over financial reporting as of September 30, 2006, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Ashland Inc. and consolidated subsidiaries' management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that Ashland Inc. and consolidated subsidiaries maintained effective internal control over financial reporting as of September 30, 2006, is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, Ashland Inc. and consolidated subsidiaries maintained, in all material respects, effective internal control over financial reporting as of September 30, 2006, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Ashland Inc. and consolidated subsidiaries as of September 30, 2006 and 2005, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended September 30, 2006 and our report dated November 20, 2006 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Cincinnati, Ohio
November 20, 2006

**Report of Independent Registered Public Accounting Firm on
Applying Agreed-Upon Procedures**

To the Audit Committee and Management of Ashland Inc.:

We have performed the procedures enumerated below, which were agreed to by the management of Ashland Inc. and consolidated subsidiaries ("Ashland"), solely to assist you in reporting under various state and federal environmental protection standards and regulations as of September 30, 2006. Ashland's management is responsible for its reporting under various state and federal environmental protection standards and regulations and for the selected financial data presented below. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

As of Ashland's fiscal year ended September 30, 2006, the selected financial data subjected to our procedures is as follows (in millions):

Total assets	\$ 6,590
Less intangible assets	<u>310</u>
Tangible assets	6,280
Total liabilities	<u>3,494</u>
Tangible net worth	<u>\$ 2,786</u>
Shareholders' equity (net worth)	\$ 3,096
Ten (10) percent of equity	\$ 310
Current assets	\$ 4,250
Current liabilities	\$ 2,041
Total assets in the U.S.	\$ 5,437
The sum of net income plus depreciation and amortization	\$ 518

The procedures we performed and our findings relative to the above financial data are summarized as follows:

- a. We compared the amount presented above as total assets to the amount for total assets in the September 30, 2006 audited consolidated financial statements noting them to be in agreement.
- b. We compared the amount presented above as intangible assets to the amount for goodwill and other intangibles in the September 30, 2006 audited financial statements noting them to be in agreement.
- c. We recomputed tangible assets by subtracting intangible assets from total assets and noted no exception with the amount presented above.
- d. We added the individual amounts for current liabilities and non-current liabilities as set forth in the September 30, 2006 audited consolidated financial statements and compared the total of such amounts to the amount presented above for the total liabilities and found them to be in agreement.
- e. We recomputed tangible net worth by taking total assets less intangible assets less total liabilities and noted no exception with the amount presented above.
- f. We recomputed ten (10) percent of equity by multiplying shareholders' equity (net worth) as presented above by ten (10) percent and noted no exception with the amount presented above.
- g. We compared the amount presented above as stockholders' equity (net worth) to the amount for total stockholders' equity in the September 30, 2006 audited consolidated financial statements noting them to be in agreement.
- h. We compared the amount presented above as current assets to the amount for current assets in the September 30, 2006 audited financial statements noting them to be in agreement.
- i. We compared the amount presented above as current liabilities to the amount for current liabilities in the September 30, 2006 audited financial statements noting them to be in agreement.
- j. We compared the amount presented above as total assets in the U.S. to a schedule prepared by Ashland noting them to be in agreement. The schedule prepared by Ashland added the individual amounts for total assets in the U.S. and total assets not in the U.S., the total of which we compared to total assets in the September 30, 2006 audited consolidated financial statements noting them to be in agreement. We recomputed the percentage of total assets in the U.S. to total assets and noted that this balance was less than 90%.

- k. We added net income and depreciation and amortization as set forth in the September 30, 2006 audited consolidated financial statements and compared the total of such amounts to the amount presented above for the total of net income and depreciation and amortization and found them to be in agreement.

These agreed-upon procedures do not constitute an audit of financial statements or any part thereof, the objective of which is the expression of opinion on the financial statements or a part thereof. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of audit committee and management of Ashland as well as various state and federal environmental protection agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

December 7, 2006